Evaluation of Financial Management
Task Force Menu of Options
Sponsorship Program Enhancement

Presentation to Budget and Fiscal Affairs Committee

October 30, 2012
Agenda

• Background

• Evaluation Results

• Representative Sponsorships

• Recommendations
Background

• The Financial Management Task Force, formed by a budget amendment in 2011, issued its Menu of Options for addressing the City’s long-range fiscal issues.

• In June of 2012, the administration responded to a request from Budget and Fiscal Affairs Committee to evaluate the feasibility of a number of items on the Financial Management Task Force’s Menu of Options.

  • A number of these items were underway, already done on a regular basis, or had been completed.
  • Other items, including increasing sponsorship of City programs, needed further, in-depth analysis.
  • The exact text of the FMTF sponsorship option was “Increase program sponsorship with the private sector. For example, local professional sports teams could subsidize city recreational sports.”
• Inventoried the existing sponsorships in the City
• Reviewed the programs of other cities to understand implementation options
• Legal research:
  • State statutes
  • City ordinances
  • Court cases
  • Attorney General opinions
  • Past City Attorney opinions
Evaluation Results

- Sponsorships fund programs in fifteen departments today.
- Sponsorships range in value from $100 to $300,000 cash value and up to $3 million in in-kind value (KTRK TV/ABC-13 Freedom Over Texas coverage).
- Sponsors include commercial and not-for-profit entities
- Sponsorships cover both special events and City programs and services. Limited donations directly to City for facility construction or maintenance.
- Sponsorships are largely coordinated by staff that have other operational job duties.
Evaluation Results
(Continued)

• No central clearinghouse for sponsors or sponsorships
  – What opportunities there are citywide
  – Prioritization of needs citywide
  – Who has been solicited

• No guidelines or standards for sponsorships
  – Acquiring
  – Valuing: cash, in-kind, volunteers
  – Recognizing sponsors or level of donation
    • Signage
    • Media
    • Website
    • Mayoral or Council Recognition
• Companies sponsor programs in multiple departments. There is little or no coordination between departments that could enhance sponsorship value.

• Lack of coordination across City foundations on recruiting and recognizing sponsors; sponsorships/donations that come through foundations not consistently recognized by the City.

• Possible issues created by sponsorships may implicate free speech rights, the Sign Code, and ordinances or laws regarding conflicts of interest.
Representative Sponsorships

• Operations, Programming, and Facilities
  – Parks and Recreation
    • Community Leaders Program – Baseball Field Renovations, Houston Astros – Program Lead and Lead Fundraiser, $18 Million Goal Over Five Years
  – Housing and Community Development
    • Homebuyers Assistance Program, Wells Fargo, $100,000

• Special Events
  – Mayor’s Office of Homeland Security
    • Annual Hurricane Workshop, CenterPoint Energy, $100,000 Annual Cash and In-Kind Donations
  – Mayor’s Office of Special Events
    • Tour de Houston, Apache, $100,000 Cash, $20,000 In-Kind Donations, 100 Volunteers
  – Department of Neighborhoods
    • Back to School Fest, Shell – Lead Sponsor, $50,000
Recommendations

• Create new Administrative Policy that provide standards for acquiring, implementing, and monitoring sponsorship opportunities and programs.

• Recognize distinction between special events sponsorship and underwriting of City operations, programming, and facilities.

• Provide central, citywide coordination of sponsorships to enhance program for City and sponsors alike

• Add value to sponsors by recognizing total donations to the City in our sponsorship programs

• Prioritize sponsorship opportunities citywide

• Add dedicated staff to sell sponsorships

• Expand recognition of sponsors, but avoid permanent outdoor signage as part of the sponsorship program
Next Steps

• Administratively require that special events fundraising overseen by all City departments now be coordinated through Mayor’s Office of Special Events

• Conduct further, in-depth research into top five fundraising cities and how their programs were created and are managed

• Issue request for qualifications (RFQ) on fundraising program creation and implementation

• Design and implement City of Houston program and policies